

Welcome to our 2020 Annual Meeting



The Point Owners Association, Inc.



Agenda

- » Welcome & Introductions
- » Election of New Board Members
- » President's Report
- » Treasurer's Report
- » Recent Achievements & Improvements
- » Projects for 2020
- » Announcement of Election Results
- » Closing Remarks

Welcome and Introductions

Current Board Members

Nancy Bigelow, President

Charles Farrar, Vice-President

Michael Barton, Treasurer

Jennifer Byrd, Secretary

Heather Ballard, Member At Large

Tom Uhl, Member At Large

Jerry Kaufman, Member At Large

Hawthorne Management Company

Kristi Alexander

Ashleigh Jones

Kellie Griggs

Welcome and Introductions

Committees

Architectural

Communications

Community Affairs

Finance

Infrastructure

Landscape

Nominating

Chairman

Charlie Farrar

Heather Ballard

Jerry Kaufman

Donette Dewar-Black

Tom Uhl

Nancy Bigelow

Roger Schwartz

Election of New Board Members

- » Nominating Committee is appointed by the Board annually
- » Nominating Committee operates independently and is responsible for identifying and screening potential Board candidates, consistent with Board-approved guidelines
- » Board provides input if there are specific skills or other requirements needed

Nominating Committee Members	2019	2020
Roger Schwartz (Chair)	X	X
Ed Sentivany		X
Denise Gregg	X	X
Regina Watts	X	X
Don Bernard	X	

Election of New Board Members

Election Parameters

- » Per our Bylaws, three-year Board terms are “staggered” to allow for continuity as well as change
- » Three Board seats are up for election in 2020

Pre-Annual Meeting Process

- » Solicit Candidates
 - » Talking Point – announcement of election in November issue
 - » Board E-mail – Total of three in October, November and December
- » Candidates interviewed; slate finalized
- » Candidate biographies and proxy mailed in Annual Meeting notice
- » Members return proxy via US Mail, email to HMC (fillable proxy)

Annual Meeting Process

- » Ballots available as owners arrive
- » Slate of candidates presented
- » Nominations taken from the floor (Nominees must be members in good standing)
- » Each candidate is provided two minutes to introduce him/herself
- » Hawthorne representatives collect and tally all votes
- » Last document an owner submits is what is counted
- » New Board members announced at end of annual meeting



Slate of Board Candidates

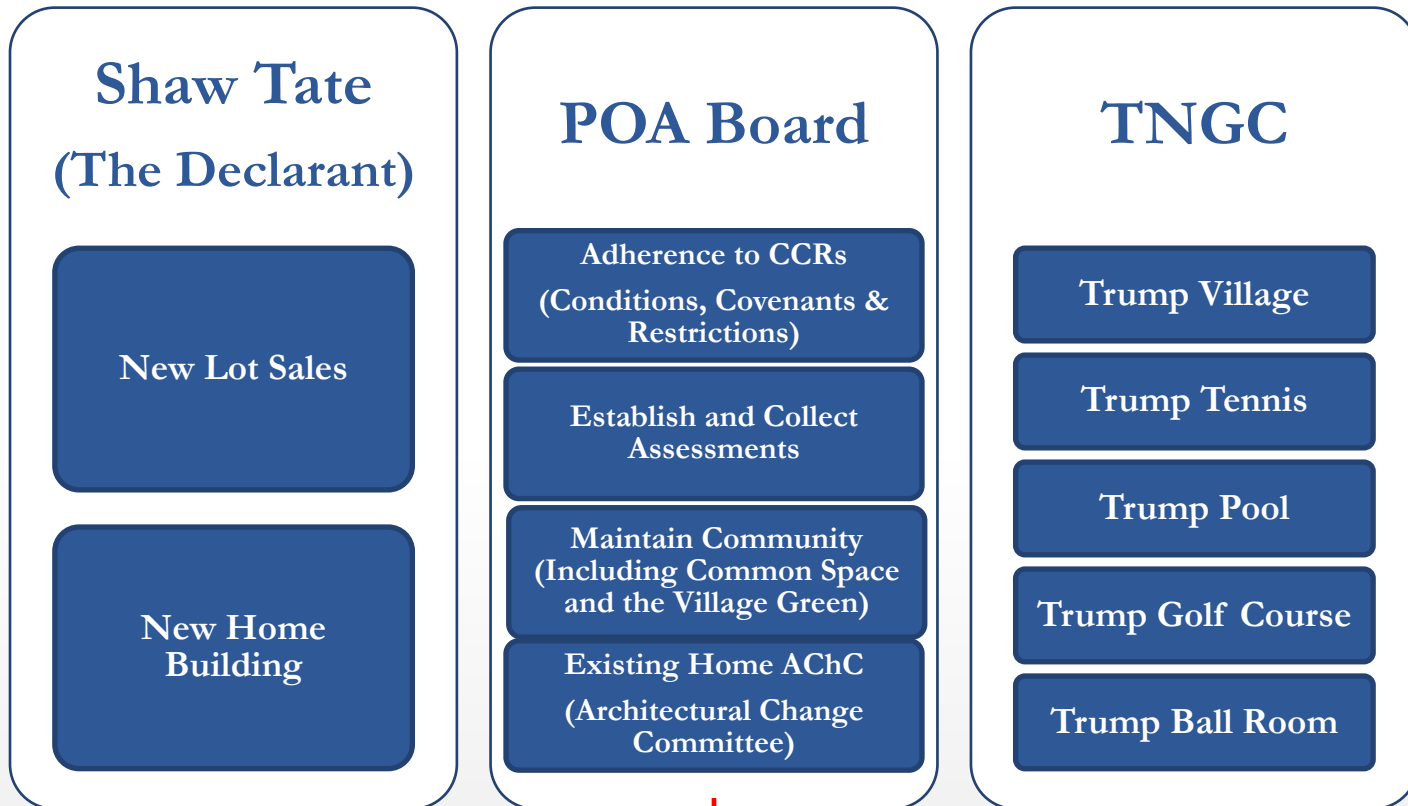
- » Candidate – Linda Bundens
- » Candidate – Donette Dewar-Black
- » Candidate – Charlie Farrar
- » Candidate – Annie Livingston
- » Nominations from the floor
- » Candidate Statements (2 minutes per candidate)

Status of The Point Community (Dec 2019)

	<u>2018</u>	<u>2019</u>
Total Lots	865	865
Completed Homes/ Under Construction	831	834

President's Report

Three Parts of our Community



The Board of Directors are required by NC law to enforce the CCRs as they are written, and ensure the CCRs are administered in a fair and equitable basis.

President's Report

The Board of Directors manages the business affairs of the Point Owners Association through the following committees which are all supported by our volunteers:

- » Architectural Change
- » Landscape
- » Infrastructure
- » Nominating
- » Communications
- » Community Affairs
- » Finance

Many Thanks to our Volunteers: New Ambassador Program

Shauna Yardley (Program Lead)

- » Ann Beeson
- » Stella Cleveland
- » Gretchen Dascoli
- » Karen DeMartine
- » Beth Dosier
- » Amy Duchaine
- » Wendy Finter
- » Cindy Juris
- » Janet Ladd
- » Nicole Nicholson
- » Renee Phillips
- » Katie Rayment
- » Laura Ruby
- » Alice Schulte
- » Melissa Shepard
- » Anne Marie Simpson
- » Vicki Siragusa
- » Alissa Steele
- » Mary Williamson
- » Deborah Wood

Many Thanks to our Volunteers

- » Judy Ackerman
- » Scott Amundson
- » Tracy Bradshaw
- » Joe Brennan
- » Linda Bundens
- » Denise DeLeon
- » Tom Dimattina
- » Mike Dobbins
- » Tom Dunn
- » Barbara Edwards
- » Sue Figgins
- » Cindy Fitzharris
- » Emily Gordon
- » Denise Gregg
- » Cathy Grossu
- » Sara Harris
- » Brad Herrmann
- » Sandy James
- » Anthony Johnson
- » Greg Ladd
- » Grant Mitchell
- » Nesli Nyman
- » Margot Phillips
- » Terri Pope
- » Dawn Preziosi
- » Eddie Ramos
- » Ed Sentivany
- » Bette Schwartz
- » Kathy Schwartz
- » Roger Schwartz
- » Lori Smith-Patrick
- » Randy Smith
- » Stephen Taylor
- » Regina Watts

On-Going Focus Areas



FINANCIAL STATEMENTS – Accuracy, timing and dependability

- » George Mitchell Review during his term as Treasurer
- » Kristi Alexander and Hawthorne Management staff are responsible for the accounting and related subjects
- » *Result* – Hawthorne does an excellent job and requirements are being met

BUDGET PROCESS – Accuracy, timing and dependability

- » Kristi Alexander and her staff prepare the budget for Board review and approval
- » Input provided by specific POA Board and Committee members
- » Budgets are prepared per the budget calendar and are accurate
- » *Result* – Requirements are being met

BUDGET ACCOUNTABILITY - Who has specific responsibility for ensuring budget results?

- » Specific POA Board members and their committees have responsibility for specific areas. For example:
 - Nancy and her committee over Landscaping - \$838K, 50% of total expenses
 - Tom and his committee over Infrastructure - \$78K, 5% of total expenses
 - POA Board and Hawthorne Management over Building & Grounds and Administrative - \$753K, 45% of total expenses
- » *Result* – Requirements are being met for proper budget oversight



On-Going Focus Areas (cont'd)

CASH MANAGEMENT - Maintain adequacy of Operating Cash and Reserves

- » Operating Cash Flow varies by collection period but has always been adequate
- » Reserves are a line item in each year's Income Budget and are considered to be adequate for unexpected occurrences
- » *Result* – Requirements are being met

INCOME COLLECTION - General Assessments and Other Collection

- » Hawthorne is responsible for collections and has a very specific process that is followed to deal with delinquencies
- » *Result* – Collection process is working very well resulting an excellent rate – the Board carefully monitors the delinquencies each month

TREND ANALYSIS - Spot any trends (favorable and unfavorable) that may be a concern

- » Finance Committee is directly responsible for this function and due to the predictability of the financial reporting and budgeting process, there were no troubling trends in evidence during Fiscal 2019
- » *Result* – Requirements are being met

OVERALL FINANCIAL RESULTS FOR FISCAL YEAR ENDING 12/31/2019

- » General Assessment Dues of \$1,355 Annually *will remain the same in 2020*
- » Actual Net Income \$692, Budgeted Net Income \$945
- » Operating Cash Balance at Year End: \$149,212; Reserve Balance: \$672,748
- » Total Revenues: \$1,734,380; Budgeted: \$1,718,834

Primary Sources of Income

Total Income:	\$1.734MM	
» General Assessments	\$1.168MM	67%
» Boat Slip Assessments	\$80K	5%
» Septic Assessments	\$205K	12%
» <u>Pier Assessments</u>	<u>\$139K</u>	<u>8%</u>
Subtotal	\$1.592MM	92%

NOTE: Additional sources of income include Boat Storage, ATC Rental and other Fees and Reimbursements

Uses of Income

» Landscaping	\$838K	50%
» Infrastructure	\$78K	5%
» Building & Grounds	\$630K	38%
» <u>Administrative</u>	\$123K	7%
Total Expenses	\$1.669MM	100%
» Reserves	\$65K	
» Total Income	\$1.734MM	

Treasurer's Report

Contract and Recurring Expenses

Landscaping

» Irrigation/ Lighting Systems	\$59K
» Landscape Contract	\$385K
» Landscape Consultant	\$66K
» Tree Maintenance	\$59K

Buildings & Grounds

» Electricity & Street Lights	\$180K
» Septic Inspections	\$220K
» Boat Slip Operations	\$139K
» Dock/Boat Slip Lease	\$80K

Administrative

» Insurance	\$10K
» Management (Hawthorne)	\$63K
» <u>Property Tax</u>	<u>\$20K</u>

Total Contract/Fixed Expenses \$1.281MM

**Total
Operating
Expenses:
\$1.67MM**

76.7% of Total Operating Expenses

Key Reserve Balances

» Infrastructure	\$50,000
» Private Road Reserves*	\$105,637
» General Reserves	\$127,523
» Irrigation Reserves	\$157,657
» Sconset Reserves*	\$181,863

**Homeowner Special Assessments (Dedicated Reserve Funds)*

Treasurer's Report

The POA has segregated funds into separate bank accounts. A large portion of Reserve funds are invested in CD's. Below is a snapshot of the Reserve activity:

Reserve balance at beginning of 2019	\$646,477
Deposits	\$7,562
General Reserve Funded	\$25,605
Private Road Funded	\$24,409
Irrigation Funded	\$8,000
Sconset Funded	\$11,996
Interest Income	\$12,665
Uses of Reserves:	
General Reserves	\$50,013
Private Roads	\$12,100
Irrigation	\$1,853
Ending Reserve Balance at 12/31/19	\$672,748
<u>Reserves Held</u>	
Checking Account	\$264,183
CD	\$208,564
CD	\$200,000



Treasurer's Report

BUDGET SUMMARY	2020
Revenue	\$1,661,893
Less Expenses	
Landscape	849,600
Infrastructure	69,400
Buildings and Grounds	594,847
Administrative	148,046
Total Expenses	\$1,661,893
Net Income	\$0



CAPITAL RESERVES FUNDED	2020
General Reserve	\$20,000
Private Road Reserve	20,650
Irrigation Reserve	8,000
Sconset Village Reserve	9,350
TOTAL RESERVE FUNDING	\$58,000

2020 BUDGET

- » Because of the dependability of the financial system as previously discussed, the 2020 Budget that has been distributed to all owners is very similar to the 2019 budget. Therefore, there are no outstanding issues that need to be pointed out.

TREASURER'S CONCLUSION

- » *From a financial viewpoint, it is the Treasurer's opinion that our HOA/Development is in excellent financial shape, is well run with adequate controls and adequate operating revenues and reserves. Therefore, there are no recommendations for change.*

Recent Achievements & Improvements

- » Completed LED streetlight install
- » Replaced all private drive signage
- » Made significant repairs to the sidewalks on BSR
- » Completed Phase 1 of the pine tree removal in berms
- » POA Landscape improvement funds used to remove numerous damaged trees throughout community

Projects for 2020

- » Installation of new LED lights at neighborhood entrances (Phase 1) and light entrance signage
- » Berm plantings to replace/add along BSR
- » Annual repairs to sidewalks
- » Ongoing maintenance items for landscape and infrastructure

Recommended Amendment To CCRs

- » POA Board recommends amendment to CCRs restricting open burning in The Point
- » Requires an affirmative majority vote of the POA's Membership and Declarant Approval
- » WHY?
 - » Prevent fires which can become life threatening, damage real or personal property, and/or endanger wildlife and other natural habitat.
 - » Preserve and protect the health, safety and welfare of residents in The Point.

RECENT CASE:

- » April 23, 2019: Resident ignited an open fire (to burn yard debris) too close to combustible material
- » The situation got out of control, and the Fire Department was called. Firefighters extinguished the blaze which destroyed an area approximately 100 FT x 100 FT.

Recommended Amendment To CCRs

AMENDMENT TO CCR'S PERMITTING:



AMENDMENT TO CCR'S NOT PERMITTING:



Election Results 2020

ANNOUNCEMENT OF NEW BOARD MEMBERS



THE POINT

QUESTIONS?



THE POINT

APPENDIX

Treasurer's Report Income/Expense

- » POA accounting is on a “cash basis”
- » Reserves were funded as planned



Statement of Income/Expenses		
	2018	2019
Revenues	\$ 1,715,123	\$ 1,734,380
Provision for Reserves	(208,085)	(64,851)
Net Revenue	\$ 1,507,038	\$ 1,669,529
Landscape Expense	\$758,373	\$838,040
Infrastructure Expense	81,100	77,725
Building and Grounds Expens	534,189	630,480
Administrative Expense	132,905	122,592
Total Expenses	\$1,506,567	\$1,668,837
Surplus/(Deficit)	\$471	\$692



Recommended Amendment To CCRs

CCR Amendment: PAGE 1

DRAWN BY AND WHEN RECORDED

RETURN TO:

Benjamin C. Karb, Esq.
Offit Kurman, P.A.
301 S. College Street, Suite 2600
Charlotte, North Carolina 28202

STATE OF NORTH CAROLINA

AMENDMENT TO THE DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
THE POINT

COUNTY OF IREDELL

THIS AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE POINT is effective this ____ day of _____, 2019, by THE POINT OWNERS ASSOCIATION, INC., a North Carolina nonprofit corporation (the “Association”), which does hereby adopt the following amendments to the Declaration (as defined herein) below:

STATEMENT OF PURPOSE

The Point subdivision is subject to that certain Declaration of Covenants, Conditions and Restrictions for The Point as recorded in Book 1095 at Page 1206, Iredell County Public Registry (“Declaration”), as supplemented and amended. Pursuant to the Declaration, the Association is authorized to amend the Declaration upon the affirmative vote of the subdivision’s members.

The purpose of this amendment is to place restrictions on the burning of leaves, trash and other like materials, and to place other restrictions on burning and fires.

AGREEMENT

NOW THEREFORE, pursuant to the aforesaid authority, the Association is authorized to and does hereby amend the Declaration as follows:

1. Definitions. All capitalized terms used herein and not specifically defined herein shall have the definitions assigned to them in the Declaration.

Recommended Amendment To CCRs

CCR Amendment: PAGE 2

2. Authority. This Amendment was approved by the affirmative vote of at least 67% of the Association's Membership at a duly-called meeting or by written ballot.

3. Burning. A new Article VII, Section 32 shall be added, as follows:

Section 32. Burning and Fires. There shall be no outdoor fires or burning of materials outdoors except in compliance with this Section. No outdoor fires are permitted except: within contained grills and barbecues while cooking; within exterior fireplaces; within in-ground fire pits with a surrounding structure of non-flammable material (e.g. masonry, stone or metal) designed to prevent the spread of the fire or dispersal of debris and embers; within chimineas; or, within above-ground, wood-burning fire pits constructed of metal. No Owner shall burn any material other than untreated wood. Professionally-installed underground gas lines may be used as an alternative to wood. The following is a non-exhaustive list of the types of material that shall not be burned at any time: leaves; garbage; grass clippings; yard waste (e.g. twigs or mulch); chemical-treated lumber; pallets or crates; cardboard; construction waste; plastics; non-wood-based materials. Fires within barrels, fires built upon the ground and campfires are not permitted. Owners are strictly responsible for controlling the size of any fire and for ensuring that appropriate safety measures are followed.

4. Effective Date; Miscellaneous. This Amendment shall be effective upon recording. If any provision of this Amendment is found to be invalid by a court of competent jurisdiction, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.

SIGNATURE PAGE FOLLOWS.

Recommended Amendment To CCRs

CCR Amendment: PAGE 3

IN WITNESS WHEREOF, the undersigned has executed this Amendment by authority duly granted.

THE POINT OWNERS ASSOCIATION, INC., a
North Carolina nonprofit corporation

By: _____
Name: _____
Its: _____

Secretary's Certificate

In accordance with Article XIII, Section 3 of the Declaration, the undersigned Secretary of the Association hereby certifies that the above Amendment was voted on and approved by the requisite number of votes of the Association's Members.

IN WITNESS WHEREOF, I have set my hand as Secretary of the Association on this
_____ day of _____, 2019.

(signature)

(print name)

STATE OF _____

COUNTY OF _____

I, _____, Notary Public of _____
County, State of _____, certify that _____ came
before me this day and acknowledged that s/he is the Secretary of The Point Owners Association,
Inc., a North Carolina nonprofit corporation, and that s/he, being authorized to do so, executed
the foregoing on behalf of the company. Witness my hand and notarial stamp or seal this
_____ day of _____, 2019.

Notary Public

My commission expires: _____

[NOTARIAL SEAL]

Recommended Amendment To CCRs

CCR Amendment: PAGE 4

STATE OF _____

COUNTY OF _____

I, _____, Notary Public of _____
County, State of _____, certify that _____ came
before me this day and acknowledged that s/he is the _____ of The Point
Owners Association, Inc., a North Carolina nonprofit corporation, and that s/he, being authorized
to do so, executed the foregoing on behalf of the company. Witness my hand and notarial stamp
or seal this _____ day of _____, 2019.

Notary Public

My commission expires: _____

[NOTARIAL SEAL]

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